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To: Members of the Code Revision Commission & Interested Parties  
From: George Angelone, Deputy Director  
Re: Recodification of Education Law  
Date: August 26, 2005

The Code Revision Commission will hold its first meeting on September 12, 2005 at 10:00 a.m. in Room 233 of the State House, 200 W. Washington St., Indianapolis, Indiana. This memorandum summarizes a staff proposal that will be presented at that meeting. The proposal lays out a plan for the preparation of legislation for the recodification of Grade K-12 education finance law during the interim in 2005 and the recodification of the law governing higher education during the interim in 2006 Commission.

The Indiana Code Revision Commission, established by IC 2-5-1.1-10, is in its sixteenth year of a project aimed at restating Indiana state statutory law, without substantive revision, in a form that is clear, concise, and easy to interpret and to apply. At the direction of the Legislative Council, the Code Revision Commission has prepared legislation for recodification of Titles 9 (Motor Vehicles), 10 (Public Safety), 12 (Human Services), 13 (Environment), 14 (Natural and Cultural Resources), 16 (Health), 31 (Family Law and Juvenile Law), 32 (Property), 33 (Courts and Court Officers), and 34 (Civil Law and Procedure). In 2004 the Commission prepared a recodification of the law in Title 20 governing Grade K-12 education. The proposed legislation was enacted as HEA 1288-2005.

HEA 1288-2005 consisted of 943 pages. It is proposed that the remainder of education law be recodified over two years in two smaller bills. Each bill probably would not exceed 360 pages. The subject matter easily lends itself to this approach. In the first year Grade K-12 education finance law would be moved primarily from Title 21 to Title 20. In the second year, the higher education law in IC 20-12 would be recodified in Title 21 with the remainder of higher education law.

Attached find a proposed outline for recodification of Grade K-12 education finance law. The proposal changes the changes the sequence in which ideas are arranged. Current law is arranged in a local funding/state funding/local funding/ state funding/local funding/pensions sequence. The proposal would present the law in the following sequence: accounting systems/state tuition support formula/property taxes/borrowing. Pension law would be consolidated in Title 5. Provisions in Title 20 governing categorical grants outside the formula, start-up funding for charter schools, transfer tuition, student aid for textbooks, and permissible school fees would not be moved. Following the lead taken in HEA 1288, non-education levies for community use of facilities are moved to Title 36.

This memorandum is being sent to the members of the Commission and to a list of additional individuals who may have an interest in participating in the proceedings of the Commission. If a recipient of this memorandum is interested in being deleted from the mailing list or has a comment or question about the proposal, please indicate your preference or forward your comment or question by calling (317) 232-9584 or emailing [gangelon@iga.state.in.us](mailto:gangelon@iga.state.in.us).



(current code placement in [ ])

[illegible][illegible]

## ARTICLE 10.4. INDIANA STATE TEACHERS' RETIREMENT FUND

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(Note 4: Add a new Chapter in IC 20-17 (EFFECT OF RECODIFICATION OF TITLE 20) to codify appropriate statutory construction provisions.)

## ARTICLE 17. EFFECT OF RECODIFICATION OF TITLE 20

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Chapter 2. Effect of Recodification by the Act of the 2006 Regular Session of the General Assembly [NEW<sup>1</sup>]

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(Note 5: Move IC 21-4-24-1 (TUITION FOR INSTITUTIONAL FARM TRAINING) to IC 20-19-1 (STATE SUPERINTENDENT OF PUBLIC INSTRUCTION).)

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(Note 6: Move IC 21-3-11 (ALTERNATIVE EDUCATION GRANTS) to IC 20-20-8 (ALTERNATIVE PROGRAM FOR CERTAIN STUDENTS).)

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(Note 7: Move IC 21-1-1-93.1 (APPEALS OF TRUSTEE DECISIONS) and IC 21-2-3.2 (PETITION FOR ALTERATION, CONSTRUCTION, OR ADDITION OF TOWNSHIP SCHOOL BUILDING) to IC 20-23-3 (SCHOOL TOWNSHIPS).)

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(Note 8: Move IC 6-1.1-19-12 (CERTIFICATION OF CHARTER SCHOOL ATTENDANCE TO COUNTY AUDITOR AND DISTRIBUTION OF LEVY TO CHARTER SCHOOL) to IC 20-24-7 (CHARTER SCHOOL FISCAL MATTERS).)

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(Note 9: Move IC 20-26-4-1 (part) (TREASURER; ELECTRONIC FUNDS TRANSFER) and IC 20-26-4-5 (TREASURER BONDS), and IC 20-26-5-17(b) (TREASURER BONDS) to IC 20-26-6 (TREASURER AND ACCOUNTING).)

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(Note 10: Move IC 21-1-1-80 through IC 21-1-1-81 (DISPOSITION OF SCHOOL LANDS), IC 21-1-5-1 and IC 21-1-5-2 (EMINENT DOMAIN TO REPLACE LOSS), and IC 21-2-9 (TRANSFER OF GIFTS OR BEQUESTS TO CUMULATIVE BUILDING FUND) to IC 20-26-7 (PROPERTY

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<sup>1</sup> Standard recodification language similar to language included in HEA 1288-2005.

[illegible]

## ARTICLE 39. ACCOUNTING AND FINANCIAL REPORTING PROCEDURES

## ARTICLE 40. GOVERNMENTAL FUNDS AND ACCOUNTS

## ARTICLE 41. PROPRIETARY AND EXTRACURRICULAR FUNDS AND ACCOUNTS

<sup>2</sup> It is proposed that a nonsubstantive list of school funds mentioned in other laws but not recodified in this bill be added in this bill, including construction fund (IC 6-1.1-19-4.5; IC 21-2-14-4); joint service and supply fund (IC 20-5-9-2); joint services, leasing, construction and supply fund (IC 20-5-11-4); joint investment fund (IC 20-5-11-5); professional development and technology fund (IC 20-3.1-15-1; IC 20-5-62-6); joint fund (IC 20-10.1-7-3).

## ARTICLE 42. FIDUCIARY FUNDS AND ACCOUNTS; FOUNDATIONS

- Chapter 1. Local Management of Common School Funds [IC 21-1-1-1 through IC 21-1-1-2; IC 21-1-1-54; IC 21-1-7; IC 21-1-10; IC 21-2-4-5 (part)]
- Chapter 2. Seminary Township School Fund [IC 21-2-1]
- Chapter 3. Funding of Retirement or Severance Plan [IC 21-2-20]
- Chapter 4. Public Foundations [IC 20-26-5-21; IC 20-26-5-22]

## ARTICLE 43. STATE TUITION SUPPORT

- Chapter 1. General Provisions [IC 21-3-1.6-1.1; IC 21-3-1.7-7; IC 21-1-30-10; IC 21-3-1.7-10; IC 21-3-2.1-10; IC 21-3-12-12]
- Chapter 2. Maximum Total State Tuition Support Distribution; Adjustments [IC 21-3-1.7-9; IC 21-1-1-62.5]
- Chapter 3. Determination of Pupil Enrollment; ADM; Adjusted ADM [IC 21-3-1.6-1.1(d); IC 21-3-1.6-1.2; IC 21-3-1.7-6.6]
- Chapter 4. Indexes and Amounts Used in Tuition Support Calculations [IC 21-3-1.7-2; IC 21-3-1.7-3.1; IC 21-3-1.7-4; IC 21-3-1.7-5; IC 21-3-1.7-6.7 (complexity index only); NEW<sup>3</sup>]
- Chapter 5. Calculation of Basic Tuition Support Distribution [IC 21-3-1.7-8.2]
- Chapter 6. Determination of Target Revenue Per ADM [IC 21-3-1.7-6.7]
- Chapter 7. Special Education Grants [IC 21-3-2.1]
- Chapter 8. Vocational Education Grants [IC 21-3-12]
- Chapter 9. Primetime Program [IC 21-1-30]
- Chapter 10. Other Tuition Support Grants [IC 21-3-1.7-9.8]

## ARTICLE 44. PROPERTY TAX LEVIES; GENERAL PROVISIONS

- Chapter 1. Taxable Property [IC 21-4-22]
- Chapter 2. General Levy Powers [IC 20-23-1-6(h)(7); IC 20-23-1-6(m); IC 20-23-1-6(n); IC 20-23-3-3; IC 20-23-7-11(2); IC 20-23-11-2; IC 20-23-16-4; IC 20-23-16-24(d)(6); IC 20-23-16-24(m); IC 20-23-16-26(c)(6); IC 20-23-16-26(h); IC 20-23-16-27; IC 20-25-4-5; IC 20-26-5-4(14)]
- Chapter 3. Application of Levy Excess to Reduce Property Taxes [IC 6-1.1-19-1.7]

## ARTICLE 45. GENERAL FUND LEVIES

- Chapter 1. General Provisions [IC 21-2-11-2; IC 21-2-11-4]
- Chapter 2. Tuition Support Levy [IC 6-1.1-19-1.5; IC 6-1.1-19-11; IC 21-3-1.7-6.8]

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<sup>3</sup> It is proposed that dollar amounts and other numbers used more than once in the state tuition support formula be given names and the names substituted for the numbers in the appropriate place in the formula.

Chapter 3. Excessive Tax Levies; Tuition Support Levy Adjustments [IC 6-1.1-19-4.4(a)(4); IC 6-1.1-19-4.5 (part); [IC 6-1.1-19-4.7; IC 6-1.1-19-5.1; IC 6-1.1-19-10.5; IC 20-23-9; IC 20-23-9-8]  
Chapter 4. Supplemental County Levy; Lake County [IC 21-2-12]  
Chapter 5. Supplemental County Levy; Dearborn County [IC 21-2-13]

#### ARTICLE 46. LEVIES OTHER THAN GENERAL FUND LEVIES

Chapter 1. Referendum Tax Levy [IC 6-1.1-19-4.5(c); IC 21-2-11.6-3(b)]  
Chapter 2. Special Education Preschool Levy [IC 21-2-17-2]  
Chapter 3. Racial Balance Levy [IC 6-1.1-19-10 (except IC 6-1.1-19-10(c) and IC 6-1.1-19-10(g))]  
Chapter 4. School Transportation Levy [IC 21-2-11.5-3(a); IC 21-2-11.5-3(b); IC 6-1.1-19-5.4]  
Chapter 5. Capital Projects Levy [IC 21-2-15 (except IC 21-2-15-4 and IC 21-2-15-7)]  
Chapter 6. School Bus Replacement Levy [IC 21-2-11.5-3(c); IC 21-2-11.5-3(d); IC 21-2-11.5-3.1]  
Chapter 7. Debt Service Levy [IC 21-1-5-8; IC 21-2-4 (except 21-2-4-2)]

#### ARTICLE 47. LEASE AGREEMENTS; HOLDING COMPANIES

Chapter 1. Public Holding Companies [IC 21-5-11]  
Chapter 2. Private Holding Companies [IC 21-5-12]  
Chapter 3. Lease of Existing School Building [IC 21-5-9]  
Chapter 4. Payment of Rent by Annexed School Corporations [IC 21-5-10]

#### ARTICLE 48. BORROWING AND BONDS

Chapter 1. Borrowing and Bonds [IC 21-2-21; IC 21-4-20]  
Chapter 2. Borrowing; Indianapolis Public Schools [20-25-4-6 Through IC 20-25-4-10(b)]  
Chapter 3. Township School Building [IC 21-2-3.1]

#### ARTICLE 49. STATE MANAGEMENT OF COMMON SCHOOL FUNDS; STATE ADVANCES AND LOANS

Chapter 1. Administration of Veterans Memorial School Construction Fund [IC 21-1-11; IC 21-1-12]  
  
Chapter 2. State Administration of Common School Fund [IC 21-1-1-1.5; IC 21-1-3 (except provisions related to Indiana University permanent endowment fund); IC 21-1-4]  
Chapter 3. Advancement From Common School Fund for Disaster Loss [IC 21-1-5 (except IC 21-1-5-8)]





Change the following references to the "General Fund":

- Tuition Fund

- School Revenue for Tuition Fund

- School Fund (except where the context indicates that school fund refers to any school fund)

Change to "Capital Projects Fund":

- Cumulative Building Fund

Change the following references to the "Debt Service Fund":

- Bond Fund

- Lending Fund

Change the following reference to "General Fund, Debt Service Fund, or Capital Projects Fund", as appropriate:

- Special School Fund.

(Note 18: The following education finance provisions in IC 20 will not be recodified by this bill and will remain at their current location in the Indiana Code: IC 20-20 (PROGRAMS ADMINISTERED BY THE STATE containing categorical grants that are not connected to the tuition support formula; IC 20-24-7 (CHARTER SCHOOL FISCAL MATTERS); IC 20-26-11 and IC 20-33-4 (TRANSFER TUITION); IC 20-33-5 (FINANCIAL ASSISTANCE TO STUDENTS); VARIOUS FEES; VARIOUS REORGANIZATION LEVIES)